9/10/87

Larry —

Here is your copy of
the HR Report. The next
meeting is Friday at 3:00 PM.
We have no further action.
3 Deputy Directors have yet
to give their verbal reports
(we ran out of time) and
several others have to add
their managers' response.
I'll get the package to
you today that contains
the other office reports.

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9 September 1987

MEMORANDUM FOR:

DA Rep, HRMCBTF

FROM:

Deputy Director of Information Technology

SUBJECT: OIT Response

1. Attached are the results of our survey of employee opinions on the Task Force report.

2. It is OIT management's view that an Agency move away from the normal GS system is justified to clearly establish to oversight that we are not bound to the Civil Service system. Although a number of the proposed features contribute to that objective, it may not be necessary to cause massive disruption to existing systems to achieve this end.

3. As the results demonstrate, there is enthusiasm in OIT for the incentive pay system. As managers we support them but ask that the implementation be carefully constructed to ensure that the pay for performance features are in fact tools of line management. We ask that decisions on bonuses be left to supervisors. Incremental increases may be left to panel systems to ensure that permanent salary increases are equitably awarded across job disciplines.

4. Some of the features discussed in the report involve the mechanics of implementation. We believe there is much to be discussed before any of these are implemented and, in fact, the mechanics are probably not appropriate to this report. Tools for performance plans and performance evaluation along with tools for personnel projection are contentious at best. Previous experience with such mechanics as the AWP raises questions about the efficacy of the proposed tools. It is interesting to note that a large percentage of our employees commented negatively on these features.

5. The weakest part of the proposal is felt to be the reliance on expanded training opportunities. We believe it is unrealistic to believe that Agency management can sustain the consistent budgetary support necessary to make the program work. Eliminating this need for a high level of training activity does not appear to diminish the efficacy of an incentive pay system. Why promise what we may not be able to deliver?

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OVERALL RESPONSE OF OIT EMPLOYEES
(NUMBER OF RESPONDENTS: [   ])

COMPENSATION FEATURES:

	NO ENTRY %	DISAGREE STRONGLY %	DISAGREE SOMEWHAT %	NO OPINION %	AGREE SOMEWHAT %	AGREE STRONGLY %
OCCU. DEF. BANDS	0.0	1.1	8.3	4.1	60.9	25.6
INCENTIVE PAY	0.8	2.3	6.0	4.1	55.3	31.6
PERFORMANCE PLAN	0.4	3.8	13.9	10.9	53.0	18.0
PERFOR. EVALU.	1.1	4.9	12.4	12.4	53.8	12.8
OCCUP. HANDBK	0.8	1.5	7.5	13.9	50.4	25.9
IND. CAR. DEV	1.1	1.1	9.0	15.4	52.3	21.1
OCCUP. SPEC. TRNG	0.4	2.6	9.0	11.3	46.6	30.1
IMP. TRNG. AVAIL.	0.4	1.9	13.5	19.2	39.8	25.2
DUAL TRACK	0.8	1.5	7.1	14.3	40.6	35.7
PROMOTION	1.5	2.3	8.3	16.2	53.0	18.8
FLEX. BENE.PROG.	0.0	1.5	6.8	11.7	42.9	37.2
LEAVE CONVERSION	0.0	0.8	1.5	8.3	42.9	46.6
EDU. ASSIS. DEP.	0.0	1.1	3.4	17.7	43.6	34.2
STAFF. MGT. TOOLS	0.0	0.4	5.3	30.5	46.2	17.7
SYSTEM CONTROLS	0.4	0.8	6.4	42.5	39.8	10.2
PROJECTION TOOLS	0.8	0.8	4.9	31.2	51.9	10.5

STAT   OVERALL RESPONSE OF OIT EMPLOYEES
        (NUMBER OF RESPONDENTS: [   ])

MISCELLANEOUS QUESTIONS:

	NO ENTRY %	DISAGREE STRONGLY %	DISAGREE SOMEWHAT %	NO OPINION %	AGREE SOMEWHAT %	AGREE STRONGLY %
SUFF. INFO.:	1.1	1.9	13.2	9.4	60.5	13.9
BETTER SYSTEM:	0.0	1.1	5.6	9.4	48.9	35.0

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OVERALL RESPONSE OF OIT EMPLOYEES
(NUMBER OF RESPONDENTS: _____)

PREFERRED FEATURES:

	%
OCCUPATIONALLY DEFINED BANDS:	51.5
INCENTIVE PAY:	60.5
PERFORMANCE PLAN:	27.1
PERFORMANCE EVALUATION:	20.7
OCCUPATIONAL CAREER HANDBOOK:	19.2
INDIVIDUAL CAREER DEVELOPMENT PLAN:	14.7
OCCUPATION-SPECIFIC TRAINING:	14.3
IMPROVED AVAILABILITY OF TRAINING:	12.0
DUAL TRACK - MANAGEMENT AND EXPERT:	37.6
CONSISTENT PROMOTION:	20.3
FLEXIBLE BENEFITS PROGRAM:	35.3
LEAVE CONVERSION:	33.1
EDUCATIONAL ASSISTANCE FOR DEPENDENTS:	7.1
STAFFING MANAGEMENT TOOLS:	13.5
SYSTEM CONTROLS:	2.6
PROJECTION TOOLS:	4.5

3.4 PERCENT DID NOT WANT ANY OF THE FEATURES IMPLEMENTED

SEPTEMBER

DATE	TIME	ATTENDEES	CONFERENCE ROOM
WED, 9 SEP	1600-1730	All addees*	7D32 Hqs

a. Oral presentations by each addee of individual office proposals.

b. Each Deputy to bring 12 copies of his office position to be distributed among all DD's. Ensuing discussions.

FRI, 11 SEP	1500-1700	All addees*	7D32 Hqs

a. Continuation of previous meeting and final discussions prior to preparation of Directorate draft.

MON, 14 SEP thru 17 SEP

Task Force Rep and alternate, prepare Directorate draft.

THURS, 17 SEP	1500-1700	All addees*	6E47 Hqs

a. Review of Directorate draft by all DD's.

FRI, 18 SEP

a. 1300H deadline for adjustments to the Directorate draft by any DD who wishes to do so.

b. Draft finalized and presented to O/DDA.

TUE, 22 SEP

DDA and ADDA briefed by Task Force Rep and alternate, at off-site location.

WED, 30 SEP

Directorate for Adminstration final version to be joined with the final papers from the other Directorates and the E Career Service.

MON, 5 OCT to FRI, 9 OCT

Task Force meets off-site in full session to determine Organization position.

* All DD's attend

OIT Comments on Human Resource Modernization Proposals

Key Judgments:

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--The proposed changes failed to interest the majority of
   OIT employees. Despite the heavy informational campaign waged
   by the Task Force, the provision of
   forms to OIT employees, and frequent reminders by OIT management,
   less than 25 percent bothered to complete the surveys.

--According to OIT managers, most employees felt that the decision
   had already been made and that their input would have no impact.
   A number of employees commented that they had been surveyed
   numerous times and had seen no impact. It is also possible
   that many employees don't care whether the new system is
   implemented or the present one retained.

--Given the enormous energy normally required to bring about
   radical change, we believe that--from the perspective
   of OIT employees--implementing the whole range of features may
   not be worth the effort. Adopting only those 4-5 features which are
   most desired may be a more prudent strategy.

--Of those OIT employees responding to the survey, the response was
   generally positive. About 85 percent thought the new system was
   preferable to the present system.

--Of those responding to the survey, two features stood out as
   the most favored: Incentive Pay and Occupationally Defined Bands.

--There were few suggestions for modification of the proposals.
   One recommended the Agency adopt a procedure for health insurance
   premiums that has begun to appear in the private sector. Instead
   of deducting premiums from the employee's salary, the Agency should pay
   the insurance company directly. The employee's gross pay would
   drop by this amount, bringing a small reduction in tax liability.
   (Under current regulations, medical insurance can be deducted
   only if total medical costs exceed a certain percentage of gross
   salary; this level is reached only when the family experiences
   unusually high medical costs.)

--Overall, the evaluation process was poorly handled by the Task Force.
   Although considerable effort was expended in providing information
   to Agency employees on the specifics of the proposals, it is apparent
   that very little thought went into how the proposals should be evaluated.
   What guidance was received was late and contradictory. As a result,
   individual components were left to devise their own evaluation
   procedures.

Specific Findings of OIT Survey

The approach taken in our survey was to state the Task Force's description of the expected impact of each feature and to enable the employee to state whether he or she agreed. One question asked whether the employee had sufficient information about the proposals. In addition, the survey asked whether the employee believed the proposed system was a good idea in general and should be implemented. Finally, we asked the employees to identify up to five features he or she preferred. The following results describe our findings:

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--84% of all respondents ( ) agreed that the proposed system is better than the existing system and most provisions should be adopted.

--75% of all respondents felt they had sufficient information to make an informed decision about the new system.

--There was very little negative response to any of the 16 features. The greatest concerns seemed to be over the administrative aspects and training. For example, some 18% disagreed with the notion of the revised Performance Plan and about 16% felt the same way about the proposed Performance Evaluation system. About 15% disagreed that there would be an Improved Availability of Training. These concerns were echoed in the written comments.

--The two features most often chosen as one of the five most preferred were Incentive Pay (60%) and Occupationally Defined Bands (52%).

--Those selected next included Dual Track (38%) and Flexible Benefits (35%). Leave Conversion was almost as popular (33%). See the attached listing for a full reading.
--Surprisingly, Educational Assistance was not popular (9.3%)

--Demographically, the majority of responses came from men (53%). Female respondents amounted to 42% and the remaining 3% did not fill out the demographic portion of the survey.

--In general, women tended to be somewhat more positive on the individual features than men. The one exception was Educational Assistance for Dependents. Male respondents agreed more frequently (82%) than women (73%). But, as noted above, this feature ranked very low on the preferred listing. Only 11% of the men and 3% of the women selected it as one of their five preferred features.

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--An examination of the responses of supervisors and managers [ ] showed them also generally positive about the proposed system. OIT managers responded the same as the overall office on whether the new system seemed to be better (84%).

--The managers also picked the same order of features as all employees who responded to the survey: Incentive Pay (71%); Occupationally Defined Bands (61%); Flexible Benefits (43%); and Leave Conversion (39%). The managers focused in on these four to a greater degree than other employees. Also, the managers showed a slightly greater interest in the System Controls (20%) compared to 13% for all employees.

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--Finally, we compared the responses of single   and married employees   . We found no significant differences in their responses on most questions. Overall, married employees were slighly more enthusiastic about the overall value of the proposed system (86%) than single employees (80%). Not surprisingly, the married employees were more positive about educational assistance for dependents (82%) than single employees. Neither group, however, showed any interest in this feature as one of their preferred five (both less than 10%).